

**RIVER PARISHES COMMUNITY COLLEGE FOUNDATION, INC.**  
Sorrento, Louisiana

**FINANCIAL STATEMENTS**  
**(Reviewed)**

December 31, 2009

Under provisions of state law this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and where appropriate at the office of the parish clerk of court.

Release Date JUN 06 2012

**FAULK &  
WINKLER, LLC**  
Certified Public Accountants • Business Advisors

**RIVER PARISHES COMMUNITY COLLEGE FOUNDATION, INC.**

Sorrento, Louisiana

**FINANCIAL STATEMENTS  
(Reviewed)**

December 31, 2009

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Sorrento, Louisiana

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## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors  
River Parishes Community College Foundation, Inc.  
Sorrento, Louisiana

We have reviewed the accompanying statement of financial position of the **RIVER PARISHES COMMUNITY COLLEGE FOUNDATION, INC.** (the Foundation) (a nonprofit organization) as of December 31, 2009, and the related statements of income and net assets and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of the Foundation.

A review consists principally of inquiries of the Foundation personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements for them to be in conformity with generally accepted accounting principles.

Certified Public Accountants

Baton Rouge, Louisiana  
August 10, 2011

**RIVER PARISHES COMMUNITY COLLEGE FOUNDATION, INC.**

Sorrento, Louisiana

**STATEMENT OF FINANCIAL POSITION**

December 31, 2009

(See Independent Accountants' Review Report)

**ASSETS**

	<u>2009</u>
<b>CURRENT</b>	
Cash	\$ 38,677
Investments	55,830
Accounts receivable	<u>2,300</u>
Total current assets	<u>96,807</u>
<b>RESTRICTED ASSETS</b>	
Cash	5,573
Investments	<u>295,437</u>
Total restricted assets	<u>301,010</u>
Total assets	<u><u>\$ 397,817</u></u>

**NET ASSETS**

<b>NET ASSETS</b>	
Unrestricted	96,807
Temporarily restricted	1,010
Permanently restricted	<u>300,000</u>
Total net assets	<u><u>\$ 397,817</u></u>

The accompanying notes to financial statements  
are an integral part of this statement.

**RIVER PARISHES COMMUNITY COLLEGE FOUNDATION, INC.**

Sorrento, Louisiana

**STATEMENT OF ACTIVITIES**

For the year ended December 31, 2009

(See Independent Accountants' Review Report)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Totals</u>
<b>REVENUE AND SUPPORT</b>				
Golf tournament	\$ 19,716	\$ -	\$ -	\$ 19,716
Scholarship donations	-	15,900	-	15,900
General donations	2,000	-	-	2,000
Membership dues	1,200	-	-	1,200
Investment income (loss):				
Dividend and interest	1,021	8,692	-	9,713
Realized loss	-	(60,309)	-	(60,309)
Unrealized gain	47,546	52,627	-	100,173
Total revenue and support	71,483	16,910	-	88,393
Net assets released from restrictions:				
Satisfaction of purpose restrictions	15,900	(15,900)	-	-
Total support and net assets released from restrictions	87,383	1,010	-	88,393
<b>EXPENSES</b>				
Program:				
Scholarships	24,400	-	-	24,400
Fundraising:				
Golf tournament	5,068	-	-	5,068
General and administrative	3,290	-	-	3,290
Total expenses	32,758	-	-	32,758
Increase in net assets	54,625	1,010	-	55,635
<b>NET ASSETS</b>				
Beginning of year	42,182	-	300,000	342,182
End of year	\$ 96,807	\$ 1,010	\$ 300,000	\$ 397,817

The accompanying notes to financial statements  
are an integral part of this statement.

**RIVER PARISHES COMMUNITY COLLEGE FOUNDATION, INC.**

Sorrento, Louisiana

**STATEMENT OF CASH FLOWS**

For the year ended December 31, 2009

(See Independent Accountants' Review Report)

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>2009</b>
Increase in net assets	\$ 55,635
Adjustments for non-cash items:	
Unrealized investment gain	(100,173)
Realized investment loss	60,309
Change in operating assets and liabilities:	
Change in amount due from River Parishes Community College	26,620
Accounts receivable	(1,300)
Net cash provided by operating activities	<u>41,091</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from sale of investments	301,395
Purchases of investments	<u>(311,108)</u>
Net cash used by investing activities	<u>(9,713)</u>
Net increase in cash	31,378
<b>CASH</b>	
Beginning of year	<u>7,299</u>
End of year	<u>\$ 38,677</u>

The accompanying notes to financial statements  
are an integral part of this statement

**RIVER PARISHES COMMUNITY COLLEGE FOUNDATION, INC.**  
Sorrento, Louisiana

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of activities**

The River Parishes Community College Foundation, Inc. (the Foundation) is a non-profit corporation which was organized to promote the educational and cultural welfare of the River Parishes Community College (the College), by accepting contributions for providing broader educational advantages and scholarships and aiding research or other designated projects for the College.

**Basis of presentation**

The Foundation prepares its financial statements on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

The Foundation reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

The statement of activities presents expenses of the Foundation's operations functionally by program, fundraising, and management and general.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates are primarily used when accounting for depreciation and the allocation of fundraising expenses. Actual results could differ from those estimates.

**Revenue recognition**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted revenues, depending on the existence or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions received are classified as permanently



**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue recognition (continued)**

restricted if the donor stipulates that the contribution be maintained in perpetuity. The income earned from permanently restricted investments may be used for a specified purpose or may be unrestricted, depending on the donor's designation of the earnings.

**Cash and cash equivalents**

For purposes of the statements of cash flows, cash and cash equivalents include all highly liquid investments with original maturities of three months or less. There are no cash equivalents at December 31, 2009.

**Investment valuation and income recognition**

Financial Accounting Standards Board's ASC 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value which provides a fair value hierarchy that prioritizes the inputs (sources of pricing information) to valuation techniques used to measure fair value. The highest priority is given to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 – Unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 – Inputs including:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs that are unobservable and significant to the fair value measurement.

Investment income includes dividends and interest earned on investments, the realized net gain and/or loss from trade of investments, and net unrealized gain and/or loss resulting from market value fluctuations of investments held at year-end relative to cost. Investment earnings are recorded net of related investment expense of \$3,305.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fair value of financial instruments**

Unless otherwise indicated, the carrying value of assets and liabilities approximate fair value due to the short-term maturity of these instruments.

**Income taxes**

The Foundation has been recognized by the Internal Revenue Service as a not-for-profit organization as described in section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes. The Foundation has adopted the provisions of FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. Management of the Foundation believes it has no material uncertain tax positions and, accordingly, it has not recognized any liability for unrecognized tax issues.

**NOTE 2 - INVESTMENTS**

Investments at December 31, 2009, including the level of fair value hierarchy as described in Note 1, consisted of the following:

	<u>Level</u>	<u>Market Value</u>	<u>Cost</u>
Mutual funds	1	\$ 295,437	\$ 260,852
Certificates of deposit	2	<u>55,830</u>	<u>54,829</u>
		<u>\$ 351,267</u>	<u>\$ 315,681</u>

**NOTE 3 - NET ASSETS**

Temporarily restricted net assets at December 31, 2009 consisted of \$1,010, restricted to the benefit of handicapped students.

Permanently restricted assets consist of the Solomon B. Acy Scholarship Fund. The earnings from the endowment fund can be used to award scholarships and financial aid to handicapped students for tuition, books, supplies, room, board, medical expenses and related physical equipment and technical devices.

The Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation.

**NOTE 3 - NET ASSETS (CONTINUED)**

The endowment net assets had activity during 2009 as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ (47,546)	\$ -	\$ 300,000	\$ 252,454
Dividend and interest	-	8,692	-	8,692
Realized loss	-	(60,309)	-	(60,309)
Unrealized gain	47,546	52,627	-	100,173
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 1,010</u>	<u>\$ 300,000</u>	<u>\$ 301,010</u>

**Unrestricted endowment net assets**

Unrestricted endowment net assets were created in 2008 when the fair value of the assets with individual donor-restricted endowment funds was less than the amount that the donor requires the Foundation to retain as a fund of perpetual duration. The \$47,456 deficit in the beginning 2009 unrestricted net assets is the amount of investment losses over the accumulated earnings (less expenditures) recorded in previous years.

**NOTE 4 - DONATED SERVICES**

No amounts have been reflected in the statements for donated services as no objective basis is available to measure the value of such services. Nevertheless, a substantial number of volunteers donated significant services to the Foundation's programs.

The College funds the expense of personnel, equipment and office facilities to the Foundation for its use at no charge.

**NOTE 5 - SUBSEQUENT EVENTS**

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through August 10, 2011, the date the financial statements were available to be issued.